United Nations A/72/537

General Assembly

Distr.: General
17 October 2017

Original: English

Seventy-second session
Agenda item 133
Financial reports and audited financial statements, and reports of the Board of Auditors

Financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2016

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the following reports:[1]

(a) Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2016;

(b) Nineteen financial reports and audited financial statements, and reports of the Board of Auditors, for the financial period ended 31 December 2016 pertaining to the audited entities;

(c) Financial report and audited financial statements and report of the Board of Auditors on the United Nations Joint Staff Pension Fund;

(d) Sixth annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (Umoja);

(e) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2016 on the United Nations and on the capital master plan (advance copy);

[1] The Committee reflects in separate reports its comments and recommendations on the following topics reviewed by the Board: (a) implementation of the capital master plan (A/72/536); (b) the United Nations Joint Staff Pension Fund (A/72/___); and (c) the ninth annual progress report on the implementation of the United Nations enterprise resource planning system (Umoja) (A/72/___).

17-18353 (E) 201017

Please recycle

(f) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2016 (advance copy).

A detailed list of the reports considered by the Committee is provided in annex I to the present report.

2. During its consideration of the reports, the Advisory Committee met with the members of the Audit Operations Committee of the Board of Auditors, who provided additional information and clarification, concluding with written responses received on 16 October 2017. The Advisory Committee also met with representatives of the Secretary-General to discuss the status of implementation of the Board's recommendations, who provided additional information and clarification, concluding with written responses received on 9 October 2017.

3. The Board of Auditors indicates that 2016 was the first year of preparation of financial statements through Umoja for nine entities.[2] The Advisory Committee notes that all statements were provided in a timely manner (see A/72/176 and A/72/176/Corr.1, para. 7). **The Advisory Committee welcomes the submission of the financial statements, particularly in connection with volume I, in a timely manner.**

4. **The Advisory Committee continues to find the reports of the Board of Auditors useful in the conduct of its own programme of work.**

II. Audit opinions of the Board of Auditors

5. As in previous years, for the financial period ended 31 December 2016, the Board issued unqualified audit opinions for all audited entities. In the case of ICTR and ICTY, the Board issued an emphasis of matter. Upon enquiry, the Advisory Committee was informed that, since 2011, all entities audited had received unqualified opinions. **The Advisory Committee welcomes the fact that all entities have again received unqualified audit opinions from the Board of Auditors.**

III. Major findings of the Board of Auditors

A. General observations

1. Overall financial situation

6. The Board has concluded that, of the 19 audited entities,[3] 8 entities closed the financial year 2016 with a surplus; of these, 4 had shown a deficit for the year 2015.[4] Eleven entities reported deficits in 2016; of these, six had shown a surplus in

[2] United Nations (Vol. I), United Nations peacekeeping operations, United Nations Environment Programme (UNEP), United Nations Human Settlements Programme (UN-Habitat), United Nations Office on Drugs and Crime (UNODC), International Trade Centre (ITC), International Criminal Tribunal for Rwanda (ICTR), International Tribunal for the Former Yugoslavia (ICTY) and International Residual Mechanism for Criminal Tribunals (IRMCT).

[3] The Board indicates that the United Nations Joint Staff Pension Fund is not included because it follows International Accounting Standard 26 for the reporting framework and IPSAS for accounting treatments.

[4] Entities reporting a surplus in 2016 (entities previously reporting a deficit in 2015 are in italics): ICTR, *IRMCT*, Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Office for Project Services (UNOPS), *United Nations Development Programme (UNDP)*, UNEP, *UN-Habitat* and *UNODC*.

2015,[5] owing to factors such as increases in operating expenses, reduced voluntary contributions and accounting adjustments to revenues (see A/72/176 and A/72/176/Corr.1, paras. 9-11 and table 1).

7. Details of the Board's analysis of the financial ratios, and cash and investment management, of the audited entities are presented in the concise summary report (A/72/176 and A/72/176/Corr.1, paras. 12-17), as well as under the relevant sections in the audit reports of the individual entities. In keeping with its practice during past audit reviews, the Board has applied an analysis of the following ratios: (a) current ratio (current assets to current liabilities), indicating the ability to cover short-term liabilities; (b) solvency ratio (total assets to total liabilities); (c) cash ratio, which measures the amount of cash, cash equivalents and invested funds which exist to cover current liabilities; and (d) quick ratio, which is another liquidity measure that excludes assets such as inventory stocks, which may be more difficult to turn into cash (ibid., table 3).

8. The Board indicates that all entities had solvency and liquidity ratios which were generally high, with the exception of ITC, which showed a 0.76 solvency ratio, reflecting a need for the Centre to strengthen its asset position over the long term, although the Board also states that no immediate threat to solvency exists. The Board indicates, however, that there is a need for ITC to carry out a staffing review, with a view to controlling salaries and consultancies, which account for 73 per cent of that entity's expenses.

9. The Board also examined the financial ratios with respect to the United Nations (Vol. I) and confirmed that the financial situation of the Organization was solid, with sufficient assets to meet short-term and longer-term liabilities, as evidenced in a current ratio of 3.41 (compared with 2.89 in 2015), a quick ratio of 3.11 (2.57) and a cash ratio of 2.28 (1.77). In this connection, the Advisory Committee recalls that for the previous year no meaningful trend among the various ratios could be determined, as the baselines for comparison had changed following the introduction of the International Public Sector Accounting Standards (IPSAS) in 2014 (see A/71/669, para. 12). Upon request, the Advisory Committee was provided with an overview, for the period from 2012 to 2016, of financial ratios, cash, cash equivalents and investments, showing that the financial situation of the entities had generally remained stable (see annexes II and III to the present report). Upon enquiry, the Committee was informed that the Board was of the view that acceptable levels of ratios for each of the entities should be decided by those entities and that, for example, the Finance and Budget Network of the High-Level Committee on Management could help establish a framework in that respect. **The Advisory Committee encourages the Board of Auditors to include such comparative data in future reports, including the trends in ratios over time and the correlation between ratios and the operational nature of an entity, as well as an analysis thereof. The Committee notes that the financial positions of the audited entities have remained sound.**

10. On a related matter, the Board indicates that cash and cash equivalents for the United Nations (Vol. I) amounted to $820.3 million as at 31 December 2016, representing an increase of $335 million (69 per cent) when compared with

[5] Entities reporting a deficit in 2016 (entities previously reporting a surplus in 2015 are in italics): *United Nations (Vol. I)*, United Nations Capital Development Fund, United Nations Children's Fund (UNICEF), ITC, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), United Nations University (UNU), *International Tribunal for the Former Yugoslavia, United Nations Population Fund (UNFPA), UNITAR, United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)* and *United Nations peacekeeping operations*.

$485.4 million as at 31 December 2015 (see A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. V, table preceding para. 122). Upon enquiry, the Advisory Committee was informed by the Secretariat that the steep increase reflected an increase in the portion of these balances pertaining to the Secretariat's trust funds. The overall financial assets held in the main pool had remained relatively unchanged, with an increase in cash and cash equivalents, offset by a decrease in investments. **The Advisory Committee considers this limited explanation to be insufficient and expects that the Secretary-General will provide detailed information pertaining to this increase in cash and cash equivalents to the General Assembly at the time of consideration of the present report.**

11. The Board has previously commented on the different practices in managing reserves among the various entities (see A/71/558, paras. 16-22). Upon enquiry, the Advisory Committee was informed by the Secretariat that to date no discussions had taken place at the United Nations System Chief Executives Board for Coordination (CEB) with respect to the recommended level of reserves of United Nations entities. The Committee was furthermore informed that it had always been recognized that the funding and operational models of individual entities were very different and that, therefore, establishing a common level of reserves would not be feasible. **The Advisory Committee continues to note the need for a balanced approach to maintaining reserve levels, particularly for those entities which are funded primarily from voluntary resources and/or have multi-year commitments (see A/71/669, paras. 15-17). The Committee also notes that no apparent effort has been made to establish guidance in this regard and trusts that the Secretary-General will make every effort to develop reasonable reserve-level benchmarks for use by United Nations system organizations.**

12. With respect to the management of cash and investments, the Board expresses the view that cash and investment pooling across the United Nations system may be the most desirable model, as such an approach would decrease the cost of transactions to the participating entities (see A/72/176 and A/72/176/Corr.1, para. 17). As indicated in table 4 of the concise summary report, all entities, with the exception of UNHCR, UNICEF, UNOPS and UNRWA, have pooled the management of their resources either with United Nations Headquarters or UNDP, with UNU having pooled its resources, which amount to $375 million, jointly with Headquarters and the United Nations Joint Staff Pension Fund. Specifically, as indicated in paragraph 16 of the concise summary, there were 11 entities participating as at 31 December 2016 in the investment pool maintained by the United Nations Treasury, which manages total assets of $9.03 billion under its investment pool, while five entities had pooled their investment resources with UNDP, which manages total assets of $7.28 billion in investments for its own programme and for other United Nations entities under service agreements.

13. The Advisory Committee was informed by the Secretariat, upon enquiry, that a study conducted by the Finance and Budget Network of the High-Level Committee on Management of CEB) had concluded that it would be feasible to establish a Headquarters central treasury investment management function for the United Nations system and that such a structure could result in administrative cost savings for individual United Nations entities. The objective of the 2013 framework investment guidelines, developed by the UNDP Working Group on Common Treasury Services, was to explore the consolidation of investment portfolios across United Nations organizations, with smaller United Nations entities encouraged to have either UNDP or the United Nations Secretariat manage their investment portfolios.

14. The Advisory Committee was informed by the UNDP that the United Nations Secretariat and the Programme had very different business models, in particular as UNDP was a field-based organization with most of its banking services located in

programme countries. Furthermore, the dismantling and/or subsequent combining of the two different portfolio management systems would entail significant transition costs. Nevertheless, it was acknowledged that a closer collaboration would enable the possible common procurement of specialized software and custodian agreements, as well as mobility and/or sharing of staff between investment units.

15. **The Advisory Committee concurs with the Board of Auditors that the pooling of cash and investments could be a desirable investment management model for United Nations system entities. The Committee is of the view that the United Nations System Chief Executives Board for Coordination would be best placed to undertake a feasibility study thereon, exploring the advantages and disadvantages and presenting viable options for a centralized treasury investment management function for the United Nations system. The Advisory Committee recommends that the General Assembly request the Secretary-General, in his role as Chair of CEB, to invite CEB to undertake such a study.**

2. Status of implementation of the recommendations of the Board

16. A summary of the status of implementation of recommendations across the audited entities is presented in the concise summary report (see A/72/176 and A/72/176/Corr.1, table 13), as well as in the audit reports of the individual entities. The Board notes that, of 619 previous recommendations, as at 31 December 2016 (and as at 30 June 2016 for United Nations peacekeeping operations), 277 recommendations, or 45 per cent, had been fully implemented, compared with 2015, which had an implementation rate of 43 per cent. The Advisory Committee notes, however, that overall implementation rates have been markedly lower since 2013, the details of which are reflected in table 1 below.

Table 1

	2016	*2015*	*2014*	*2013*	*2012*	*2010-2011*	*2008-2009*
Recommendations implemented[a]	45 per cent	43 per cent	41 per cent	49.6 per cent	56 per cent	55 per cent	65 per cent

[a] See A/71/669, para. 18, and A/69/386, para. 23.

17. The Secretary-General indicates that the Secretariat has concurred with all of the recommendations of the Board of Auditors (see A/72/355, para. 4); however, the Board indicates that 53 recommendations, or 9 per cent, have been pending for more than two years (see A/72/176 and A/72/176/Corr.1, table 13). In this connection, the Advisory Committee was informed, upon enquiry, that it was general practice for the Board to communicate and discuss its findings and recommendations with its clients at the time of the audit review, at which time any disagreements would be addressed. The Advisory Committee was also informed, however, that the Secretariat had expressed some level of disagreement with 31 unimplemented recommendations, some of which dated as far back as 2008. In some cases, the Secretariat considered those recommendations to have been implemented while the Board had categorized them as open recommendations. The Committee notes that specific timelines and other measurable steps which could guide the entities, including the Secretariat, in the implementation of the Board's recommendations were not clear in some instances.

18. **The Advisory Committee concurs with the Board of Auditors that there is a need for the different United Nations entities and for the Secretariat to work towards the implementation, and eventual closure, of old audit recommendations. In this regard, the Committee welcomes all efforts of the**

Board aimed at increasing the rate of implementation of audit recommendations. The Committee trusts that the observations and recommendations put forth by the Board will also include information on measures taken by the relevant entities, so as to assist audit clients in achieving the full and timely implementation of recommendations. The Advisory Committee intends to follow up on matters related to the implementation of audit recommendations in the context of its next report on the accountability system in the Secretariat (see also A/71/820, paras. 7-10). The Committee provides further details with respect to the implementation of recommendations for the United Nations (Vol. I) in paragraph 35 below.

B. Other matters

1. Fraud-related matters

19. Details of the Board's review of fraud-related matters are presented in the concise summary report (see A/72/176 and A/72/176/Corr.1, paras. 37-41), as well as under the relevant sections in the individual audit reports of the entities. The Board focused its review on the preparedness of entities to address fraud-related matters and found that all entities confirmed that they had in place: (a) a documented anti-fraud and anti-corruption framework; (b) adequate strategies to prevent fraud; (c) a mechanism to report and monitor fraud cases; and (d) a mechanism to protect whistle-blowers. The Board also found, however, that not all entities had conducted fraud risk assessments. In addition, the Board of Auditors noted the issuance of the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat (ST/IC/2016/25). The Advisory Committee was informed, upon enquiry, that the Board intended to audit the implementation of the Framework in February 2018.

2. Management of implementing partners

20. Details of the Board's review of the management of implementing partners are presented in the concise summary report (see A/72/176 and A/72/176/Corr.1, paras. 42-60), as well as under the relevant sections in the audit reports of the individual entities. According to the Board, all 10 entities[6] which use implementing partners to execute their mandate had in place a documented procedure for the selection of implementing partners, as well as a policy for transferring funds to implementing partners and related assessment and monitoring policies. The Board observed a number of deficiencies, however, including: (a) in two country offices of the Office for the Coordination of Humanitarian Affairs, the expiration of long-term agreements for the provision of audit services before new agreements had been put into place; (b) the delayed submission of financial reports by 12 of the implementing partners of UN-Habitat; (c) at UNDP, inadequate approaches with respect to the cash transfers programme, and operations policies and procedures; and (d) at UNEP, some projects not having been audited as at December 2016, and delays in the financial closure of operationally closed projects.

21. **The Advisory Committee concurs with the concern of the Board of Auditors with respect to the management of implementing partners and is of the view that improved oversight practices are required. The Committee considers that Umoja, and other enterprise resource planning systems used by other United Nations entities, should be leveraged to enable greater information-**

[6] As noted by the Board, the following 10 entities use implementing partners: United Nations (Vol. I), UNDP, UNEP, UNFPA, UN-Habitat, UNICEF, UNITAR, UNHCR, UNODC and UN-Women.

sharing and monitoring of implementing partners. The Committee intends to address this matter further in the context of its forthcoming report on the implementation of the United Nations enterprise resource planning system.

3. Review of the Board of the preparedness for implementation of the Sustainable Development Goals

22. Details of the Board's review of the preparedness of entities for the implementation of the Sustainable Development Goals are presented in the concise summary report (see A/72/176 and A/72/176/Corr.1, paras. 61-71), as well as under the relevant sections in the audit reports of the individual entities. The Board notes that there is a need to further align the strategy with the requirements to systematically address the work related to the Goals in order to achieve the coherence desired by the General Assembly, and expressed concern that any delays in the finalization of methodologies and standards for the collection of data related to the Goal indicators would delay the measurement of progress towards the achievement of the targets (see also A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II, paras. 100-122).

4. Accommodation for staff members with disabilities

23. Details of the Board's review of the Organization's progress in achieving a non-discriminatory and inclusive working environment for staff members with disabilities are presented in paragraphs 72 to 83 of the concise summary report, as well as under the relevant sections in the audit reports of the individual entities. The Board observed that only ITC and UN-Habitat had undertaken a thorough internal review of their premises in order to examine access to the workspace. The Board noted that United Nations (Vol. I) entities had made efforts towards ensuring accessibility but that an administrative instruction operationalizing the related policy on employment and accessibility for staff members with disabilities (see ST/SGB/2014/3) had not been finalized. In response to the observation of the Board, the Secretariat stated that a review of the implementation of the related policy had taken place in 2016 and that, in that connection, an interdepartmental task force on accessibility had established a working group to collect and analyse feedback on accessibility issues from Secretariat entities, United Nations system organizations, staff federations, civil society organizations and Member States. The Secretariat also indicated that the resulting analysis had concluded that no policy changes were required at that time and that a Secretariat focal point had since been appointed to ensure better monitoring of compliance with the policy (see A/72/355, para. 47). **The Advisory Committee intends to keep this matter under review in the context of its consideration of different reports and proposals.**

5. Procurement

24. Details of the Board's review of procurement and contract management are presented in the concise summary report (see A/72/176 and A/72/176/Corr.1, paras. 84-89), as well as under the relevant sections in the audit reports of the individual entities. The Board continued to note a number of deficiencies, for example at the United Nations Capital Development Fund, UNDP, UNICEF and UNOPS, including with respect to the integrity of the information contained in the vendor databases of different entities, such as identical bank account information for multiple vendors and duplication of vendor records. **The Advisory Committee concurs with the Board of Auditors that there is a need for the concerned entities to ensure that an appropriate system of review is required to ensure the accuracy and integrity of different vendor databases.**

6. Travel management

25. Details of the Board's review of the management of travel are presented in the concise summary report (see A/72/176 and A/72/176/Corr.1, paras. 90-101), as well as under the relevant sections in the audit reports of the individual entities. As in the past, the Board of Auditors observed low compliance with the Organization's advance booking policy, inter alia, at IRMCT, ITC, UNICEF, UN-Habitat, UNOPS and UN-Women. The Board also found that the entities were not monitoring the use of alternative communication methods so as to minimize travel, as recommended by the Committee in its report on the standards of accommodation for air travel (see A/71/822, para. 3). The Advisory Committee notes that the Secretariat has deemed "implemented" the Board's recommendation on the strengthening of efforts to monitor and enforce compliance with the 16-day advance purchase rule by special political missions. In this connection, the Secretariat indicated that it had developed and launched a specific report in Umoja to provide information on compliance with the advance purchase policy and that an additional 10 business intelligence reports were also available to support travel management in Umoja (see A/72/355, paras. 246-247). Upon enquiry, the Advisory Committee was informed that testing of a "dashboard" was currently under way, including the following key performance indicators: (a) how many days before the trip start date the travel request was approved; (b) when the travel request was submitted by the traveller; (c) how long it took to approve the travel request; (d) travel request volumes; (e) expense report volumes; and (f) whether expense reports were submitted within 14 days after the end of the trip.

26. **The Advisory Committee considers that efforts to develop monitoring reports pertaining to compliance with the 16-day advance purchase rule are in the early stages and should be expanded to include peacekeeping operations and special political missions, as recommended by the Board of Auditors in paragraph 178 of its previous report (see A/70/5 (Vol. I) and A/70/5 (Vol. I)/Corr.1, chap. II). As such, it is the opinion of the Advisory Committee that this recommendation cannot yet be considered implemented and should remain a matter for follow-up in the Board's subsequent audit review. The Advisory Committee trusts that the Board of Auditors will continue its efforts in examining travel expenditures and broader travel management practices, in addition to compliance with the advance booking policy, including the use of alternative means of communication, in the United Nations Secretariat and other United Nations entities, with a view to ensuring the transparent and efficient use of resources (see A/71/669, para. 23).**

C. Issues concerning the United Nations

Budget management

27. Matters with respect to budget preparation and monitoring are covered in paragraphs 19 to 24 of the report of the Board (A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II). The Board observed that the Secretary-General's first performance report on the programme budget for the biennium 2016-2017 considered only the effect of inflation, currency exchange rate variations, additional mandates and unforeseen or extraordinary items but did not include information on trends relating to actual expenditures in the first year of the biennium against the apportionment for that year. The Board indicates that the actual consumption figures for the first 10 months of the biennium should be factored in when revised estimates are formulated for any adjustments to budgetary allocations and recommended that the Administration review the methodology for the preparation of the first

performance report in that respect. The Secretariat stated that the primary purpose of the first performance report was to calculate revised estimates, not to reflect actual expenditures, since the budget period was based on a biennium. In the view of the Secretariat, it was too early to make meaningful projections for the biennium at that time. The Secretariat subsequently requested closure of the related recommendation of the Board of Auditors (see A/72/355, para. 12). Upon enquiry, the Advisory Committee was informed that the Board considered that the information on actual expenditures was required for the discussion on the revised estimates and that, therefore, the presentation of the actual expenditure up to the time of preparation of the first performance report would add value to the budget preparation and monitoring exercise. **The Advisory Committee concurs with the Board of Auditors that inclusion of actual expenditures for the first 10 months of the biennium in the first performance report could be a useful tool in determining revised estimates and adjusting budgetary allocations accordingly.**

Budget utilization

28. The Board of Auditors indicates that the total budget utilized in 2016 was $2,805.5 million, which is $52.9 million, or 1.9 per cent, less than the amount allocated for that period (see A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. IV, para. 51, and figures IV.XIX and IV.XX). Specifically, allocations for capital expenditures were underutilized by $6.7 million (10.2 per cent) and allocations for jointly financed administrative activities and special expenses by $8.1 million (9.9 per cent). Upon enquiry, the Advisory Committee was informed that the underexpenditure was primarily attributed to: (a) delays in the procurement process in construction projects during 2016, for which the majority had been or would be awarded in 2017; and (b) savings from the one-month premium holiday granted in the first semester of 2016 for participants in the Aetna medical insurance plan and a lower yearly increase in the premium of the United Nations health insurance plans for the reporting period than originally projected.

Unliquidated obligations

29. Details of the Board's analysis of matters pertaining to unliquidated obligations are presented in paragraphs 25 to 34 in the report of the Board (A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II)). The Board notes that the revised financial statements for the year ended 31 December 2016 indicated that unused commitments raised in the biennium 2014-2015 had been estimated at $45.6 million. As indicated in the Board's report, in accordance with the Financial Regulations and Rules, this amount will be surrendered in the form of adjustments to the assessments on Member States (ibid., chap. V, para. 189). The Board of Auditors points out that the preliminary nature of this estimate, 18 months after the end of the biennium 2014-2015, may indicate poor internal controls in monitoring such obligations. **The Advisory Committee therefore expects that the Secretary-General will provide the General Assembly, upon consideration of the present report, with a status update on the aforementioned unliquidated obligations pertaining to the biennium 2014-2015, as well as information on when these amounts, once verified and final, will be returned to Member States.**

Geographical moves of United Nations staff members

30. As requested by the Advisory Committee, the Board undertook a verification of all data reported on the annual number of geographical moves and their costs, including the methodological basis for arriving at those figures (see A/71/557, para. 91). The findings of the Board are covered in paragraphs 125 to 140 of its report (A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1). The Board noted that, at the time

of the audit review, details with respect to the costs of geographical moves for the year 2015 had not been made available by the Secretariat. The Board therefore reviewed the years 2013 and 2014, for which the Secretary-General had reported a total cost for such moves in the amount of $35.53 million and $32.07 million, respectively. The Board also observed that, for 2013, the Secretariat had reported 1,313 geographic moves and, for 2014, 1,827 geographic moves. In this connection, the Advisory Committee recalls, however, that the Secretary-General reported a total of 1,716 staff moves in 2014 (see A/71/557, para. 87). With respect to the methodological basis and cost figures for geographical moves, the Board concluded that no guidance exists on what constitutes their cost and noted that no mechanism was in place in order to consolidate related data.

31. **The Advisory Committee concurs with the Board of Auditors that a system of centralized data collection and reporting of figures relating to geographical moves through Umoja should be devised and should include information on long-term and short-term staff assignments. The Committee trusts that the Board will continue to review matters related to lateral geographic moves in future audits. Furthermore, the Committee reiterates the importance of agreeing on a viable comparative baseline against which future mobility trends may be measured and reiterates the importance of rigorous data collection and analysis (see A/71/557, para. 90).** The Advisory Committee intends to address this matter further in the context of its future consideration of different reports on human resources management.

Timeline to fill vacant posts

32. With respect to the time it takes to fill post vacancies, the Board found that the benchmark of 120 days mandated by the General Assembly in its resolution 65/247 had been exceeded by 68 per cent in 2016, during which it took an average of 202 days to fill a post. In 2015, it took an average of 163 days to fill a post, exceeding the benchmark by 36 per cent. **The Advisory Committee requested, but did not receive, an explanation by the Secretariat as to the sharp increase between 2015 and 2016 in the average time it takes to fill a post. The Committee requests that the Secretary-General provide this information to the General Assembly at the time of consideration of the present report.** The Advisory Committee intends to address this matter further in the context of its future consideration of different reports on human resources management.

Disposal of assets from the United Nations Mission for Ebola Emergency Response

33. Matters with respect to the United Nations Mission for Ebola Emergency Response (UNMEER) are covered in paragraphs 354 to 367 of the report of the Board (A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II). The Board found, inter alia, that 29,933 assets valued at $13.68 million had been disposed of; of these, 29,546 assets valued at $5.73 million had been transferred to various agencies but no copies of handover or disposal certificates had been made available at the time of the audit. The Board indicated that the location of copies of handover and disposal certificates could not be determined and recommended that, in cases of disposal of United Nations property by gift, donation, sale at nominal value or free transfer, the handover action and transfer of ownership must be documented and certificates of handover of equipment and disposal of material be obtained and records maintained appropriately. Upon enquiry, the Advisory Committee was informed that all United Nations property assets had been properly disposed of and accounted for, and that related records had been maintained, including certificates of handover, and provided to the Board. The Committee was also informed that the items identified by the Board were, in fact, expendable items, such as cellular phones which were

provided by donors, mostly at the outset of the emergency. These items had been distributed in the affected countries, often by other agencies, and as such the United Nations had not taken ownership of these items and was therefore not the party to dispose of them.

34. Upon further enquiry, the Advisory Committee was informed by the Board that the Secretariat had clarified, at the time of the audit review, that the delegation of authority to UNMEER allowed the submission of cases on an ex post facto basis to the Headquarters Property Survey Board. The Secretariat also indicated that the Board had not subsequently received the certificates following the completion of its role in that connection. At the time of the audit review, the Secretariat further clarified that the special delegation of authority to UNMEER indicated that certificates of handover should be obtained and be kept on file and that the UNMEER liquidation team would be able to provide additional information on the location of the handover certificates. **The Advisory Committee expects the Secretary-General to provide information on the location and completeness of handover and disposal certificates for UNMEER assets to the General Assembly at the time of consideration of the present report.**

Implementation of recommendations

35. The Board of Auditors notes that, as at 31 December 2016, of the total of 98 extant recommendations, 17 (18 per cent) had been fully implemented, 66 (67 per cent) were under implementation, 10 (10 per cent) had not been implemented and 5 (5 per cent) had been overtaken by events (see A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II, paras. 8-9). In comparison, for the financial year 2015, of 63 extant recommendations, 6 (9 per cent) had been fully implemented, 22 (35 per cent) were under implementation, 32 (51 per cent) had not been implemented, 2 (3 per cent) had been closed by the Board and 1 (2 per cent) had been overtaken by events (see A/71/669, para. 41). The Advisory Committee's comments and recommendations pertaining to the implementation of recommendations are contained in paragraphs 16-18 above. With respect to the execution of the capital master plan, the Committee notes that three related recommendations continue to be under implementation (see A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. II, annex I, recommendations 42, 44 and 67). In this connection, the Board notes that the activities of the capital master plan officially ended in 2015 with the transfer of responsibility to the Office of Central Support Services, with final funding authorized by the General Assembly in its resolution 69/274 A (see A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, chap. IV, para. 54). Upon enquiry, the Advisory Committee was informed that the field work related to the scope of the capital master plan had in fact been concluded in August 2017 and that the administrative close-out, payments and reconciliation of accounts were expected to be concluded by December 2017. Furthermore, the work for the purposes of reusing the North Lawn area, including security-related work, had been originally planned for completion by late 2015 and were finally completed by August 2017. The Committee was further informed that the Board would conduct an audit review of the capital master plan following its conclusion.

Annex I

Financial reports, audited financial statements and reports of the Board of Auditors for the financial period ended 31 December 2016 and other related reports considered by the Advisory Committee on Administrative and Budgetary Questions

1. Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2016 (A/72/176 and A/72/176/Corr.1)
2. United Nations (A/72/5 (Vol. I), and A/72/5 (Vol. I)/Corr.1)
3. International Trade Centre (A/72/5 (Vol. III))
4. United Nations University (A/72/5 (Vol. IV))
5. Capital master plan (A/72/5 (Vol. V))[a]
6. United Nations Development Programme (A/72/5/Add.1)
7. United Nations Capital Development Fund (A/72/5/Add.2)
8. United Nations Children's Fund (A/72/5/Add.3)
9. United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/72/5/Add.4)
10. United Nations Institute for Training and Research (A/72/5/Add.5)
11. Voluntary funds administered by the United Nations High Commissioner for Refugees (A/72/5/Add.6)[a]
12. Fund of the United Nations Environment Programme (A/72/5/Add.7)
13. United Nations Population Fund (A/72/5/Add.8)
14. United Nations Human Settlements Programme (A/72/5/Add.9)
15. United Nations Office on Drugs and Crime (A/72/5/Add.10)
16. United Nations Office for Project Services (A/72/5/Add.11)
17. United Nations Entity for Gender Equality and the Empowerment of Women (A/72/5/Add.12)
18. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (A/72/5/Add.13)
19. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/72/5/Add.14)
20. International Residual Mechanism for Criminal Tribunals (A/72/5/Add.15)
21. Financial report and audited financial statements and report of the Board of Auditors on the United Nations Joint Staff Pension Fund (A/72/5/Add.16)[a]

[a] Discussed in a separate report of the Advisory Committee.

22. Sixth annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (Umoja) (A/72/157)[a]

23. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2016 on the United Nations and on the capital master plan A/72/355)

24. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2016 (A/72/355/Add.1)

Annex II

Financial ratios for the 2012-2016 reporting periods

	Current ratio										*Cash ratio*					*Quick ratio*				
	Current assets: current liabilities					*Total assets: total liabilities*					*Cash + short-term investments: current liabilities*					*Cash + short-term investments + accounts receivable: current liabilities*				
Entity	*2016*	*2015*	*2014*	*2013*	*2012*	*2016*	*2015*	*2014*	*2013*	*2012*	*2016*	*2015*	*2014*	*2013*	*2012*	*2016*	*2015*	*2014*	*2013*	*2012*
United Nations (Vol. I)	3.41	2.89	2.72	–	–	1.44	1.46	1.29	–	–	2.28	1.77	1.5	–	–	3.11	2.57	2.35	–	–
United Nations peacekeeping operations	1.17	1.09	0.97	0.97	–	1.17	1.21	1.25	1.33	–	0.6	0.56	0.51	0.41	–	1.04	0.96	0.8	0.79	–
ITC	1.94	2.76	2.84	–	–	0.76	1	1.14	–	–	1.3	1.29	1.26	–	–	1.86	2.66	2.76	–	–
United Nations Capital Development Fund	27	18	22.5	30.2	7.5	9.8	10.3	7.62	6.9	3.6	20.4	15.6	17.35	24.1	8.6	26.63	17.67	22.04	28.5	8.6
UNDP	4.48	3.59	3.65	4.42	4.59	3.11	2.99	2.82	3.37	3.42	4.12	3.18	3.13	3.86	3.47	4.28	3.41	3.37	4.09	4.14
UNEP	5.17	4.74	3.9	–	–	5.21	4.8	3.79	–	–	2.35	2.13	1.61	–	–	3.65	3.46	2.78	–	–
UNFPA	5.7	4.5	2.5	4.6	2.8	2.6	2.9	2.3	2.9	2.2	4	2.6	1.7	2.9	1.3	5.2	3.8	2.1	4.2	2.6
UN-Habitat	6.49	4.76	4.72	–	–	4.71	3.92	3.89	–	–	2.76	1.92	1.03	–	–	5.76	4.18	3.4	–	–
UNICEF	2.68	2.8	2.79	3.18	4.03	1.94	2.11	2.04	2.05	2.20	1.5	1.4	1.33	1.73	–	2.05	4	2.01	2.53	–
UNITAR	15.02	12.83	4.93	–	–	2.95	3.02	2.14	–	–	8.09	7.56	2.95	–	–	12.4	11.68	4.7	–	–
UNHCR	7.9	8.6	6.87	8.7	9.2	2.7	2.7	2.26	3.2	2.6	4	4.6	3.13	3.5	2.9	6.9	7.5	5.65	7.3	8.0
UNODC	5.24	3.04	3.1	–	–	3.06	2.46	2.3	–	–	3.41	1.72	1.62	–		4.99	2.95	1.96	–	–
UNOPS	0.35	0.85	0.63	0.73	0.79	1.09	1.07	1.07	1.08	1.05	0.29	0.82	0.56	0.67	1.05	0.35	0.84	0.62	0.78	1.04
UNRWA	2.94	2.63	3.1	2.41	2.31	1.17	1.24	1.48	1.35	1.34	1.76	1.56	1.83	1.57	–	1.91	1.74	2.09	2.14	–
UNU	3.74	10.35	7.47	–	–	6.05	7.43	6.63	–	–	2.31	7.35	7.16	–	–	3.67	10.27	7.43	–	–
UN-Women	7.95	8.83	12.55	8.9	4.1	4.17	4.95	5.23	4.7	3.5	6.55	7.1	9.87	7.2	3.2	6.78	7.5	10.3	7.6	3.4
International Criminal Tribunal for Rwanda	0.94	5.13	2.34	–	–	1.14	1.09	0.69	–	–	0.72	2.35	1.45	–	–	0.93	5.04	2.16	–	–
International Criminal Tribunal for the Former Yugoslavia	5.25	7.11	5.3	–	–	1.25	1.36	1.07	–	–	3.31	4.26	3.3	–	–	5.23	7.06	5.2	–	–
International Residual Mechanism for Criminal Tribunals	7.46	0.88	3.96	–	–	1.17	1.11	2.63	–	–	1.59	0.79	3.54	–	–	7.38	0.84	3.92	–	–

Note: All entities that do not have 2012 and 2013 comparative figures adopted IPSAS in 2014.

Annex III

Cash and cash equivalents and Investment for last five years

(Thousands of United States dollars)

	Cash and cash equivalents					*Investment*									
						Short-term					*Long-term*				
Entity	*2016*	*2015*	*2014*	*2013*	*2012*	*2016*	*2015*	*2014*	*2013*	*2012*	*2016*	*2015*	*2014*	*2013*	*2012*
United Nations (Vol. I)[a]	820 343	485 352	597 795	–	–	1 428 837	1 445 740	1 055 386	–	–	741 169	1 036 992	1 002 627	–	–
United Nations peacekeeping operations[a]	184 536	576 391	491 997	–	–	1 546 697	1 054 722	812 610	–	–	433 275	786 089	1 017 507	–	–
ITC[a]	12 991	7 286	10 229	–	–	22 991	22 180	19 826	–	–	11 071	14 930	17 501	–	–
United Nations Capital Development Fund	12 753	6 248	12 063	16 515	37 159	48 019	54 162	35 174	52 059	38 777	26 951	48 115	64 530	10 099	13 366
UNDP	917 451	533 980	554 367	1 305 685	1 115 039	3 464 166	2 797 338	2 368 614	2 673 220	1 987 105	2 002 210	2 494 667	2 978 781	2 048 522	2 422 272
UNEP[a]	169 714	109 653	142 984	–	–	300 456	329 312	259 613	–	–	144 677	220 159	221 570	–	–
UNFPA	213 582	77 359	59 385	122 119	380 129	324 880	309 171	378 448	360 606	236 635	218 047	393 902	496 920	283 685	311 648
UN-Habitat[a]	55 340	36 835	46 738	–	–	98 158	99 659	76 194	–	–	47 265	65 750	62 371	–	–
UNICEF	1 133 528	867 768	1 586 784	1 651 955	949 795	2 681 362	2 575 900	1 630 490	1 941 681	2 199 181	776 248	1 089 779	1 211 143	449 917	301 026
UNITAR[a]	5 121	6 115	4 023	–	–	10 651	10 000	7 785	–	–	0	0	6 872	–	–
UNHCR	972 350	942 874	679 243	614 281	430 968	150 000	150 000	120 000	120 000	0	0	0	0	0	0
UNODC[a]	143 890	79 479	109 641	–	–	246 445	229 082	172 383	–	–	118 669	152 460	145 269	–	–
UNOPS	399 373	362 687	176 302	166 811	521 334	12 764	667 070	419 660	459 441	385 149	1 122 613	347 045	533 972	387 268	351 098
UNRWA	267 225	308 784	305 454	278 395	232 433	25 073	22 685	21 178	18 682	19 421	3 988	3 408	2 594	2 395	2 677
UNU[a]	46 900	53 534	55 520	–	–	13 388	13 879	23 893	–	–	315 460	317 057	327 674	–	–
UN-Women	100 979	41 741	19 226	54 728	104 107	171 792	189 067	168 829	197 059	124 433	114 414	150 543	180 182	57 873	93 719
ICTR[a]	14 579	7 278	9 541	–	–	25 812	19 725	16 095	–	–	12 429	13 235	14 208	–	–
ICTY[a]	18 527	12 277	17 704	–	–	32 741	37 774	28 501	–	–	15 765	25 346	25 159	–	–
International Residual Mechanism for Criminal Tribunals[a]	6 560	9 630	9 902	–	–	11 605	29 685	18 156	–	–	5 588	19 918	16 027	–	–

Source: Financial statements of the entities.

[a] Entities have prepared biennium financial statements for 2012-2013 based on the United Nations System Accounting Standards.